



# Housing Working Group

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MAY 23, 2022

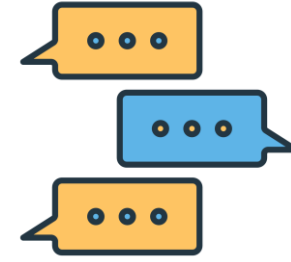
# Today's Meeting

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- Working Group Meeting Business
- Housing Needs Assessment Update
- Next Steps – Setting Strategy Review Priorities
- Working Group Messaging



Thanks for being here!



# Working Group Ground Rules

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1. Meetings will begin and end on time.
2. Come to meetings prepared.
3. Be engaged and fully present.
4. Treat co-group members ideas and suggestions with respect.
5. Be attentive to the speaker and let others finish before you start talking.
6. Raise your hand to speak.
7. Everyone will have an opportunity to speak.
8. Practice being open-minded to a range of housing ideas.
9. Strive for consensus.
10. Ask questions. There is no wrong answer - City staff and the consultant team are here to help.
11. Act as an ambassador of the overall group, not a specific interest.
12. External communications about the working group activities shall not be different from what was discussed in the working group.

# Role of the Working Group

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- Discuss policy options
  - Before they are rolled out to the broader public
  - Explore how they should be shared with the community
- Provide feedback on proposed revisions to the Land Development Code
- Promote awareness and understanding of proposals that emerge from the process
- Communicate the Housing Study process and work to stakeholders

# Housing Needs Assessment



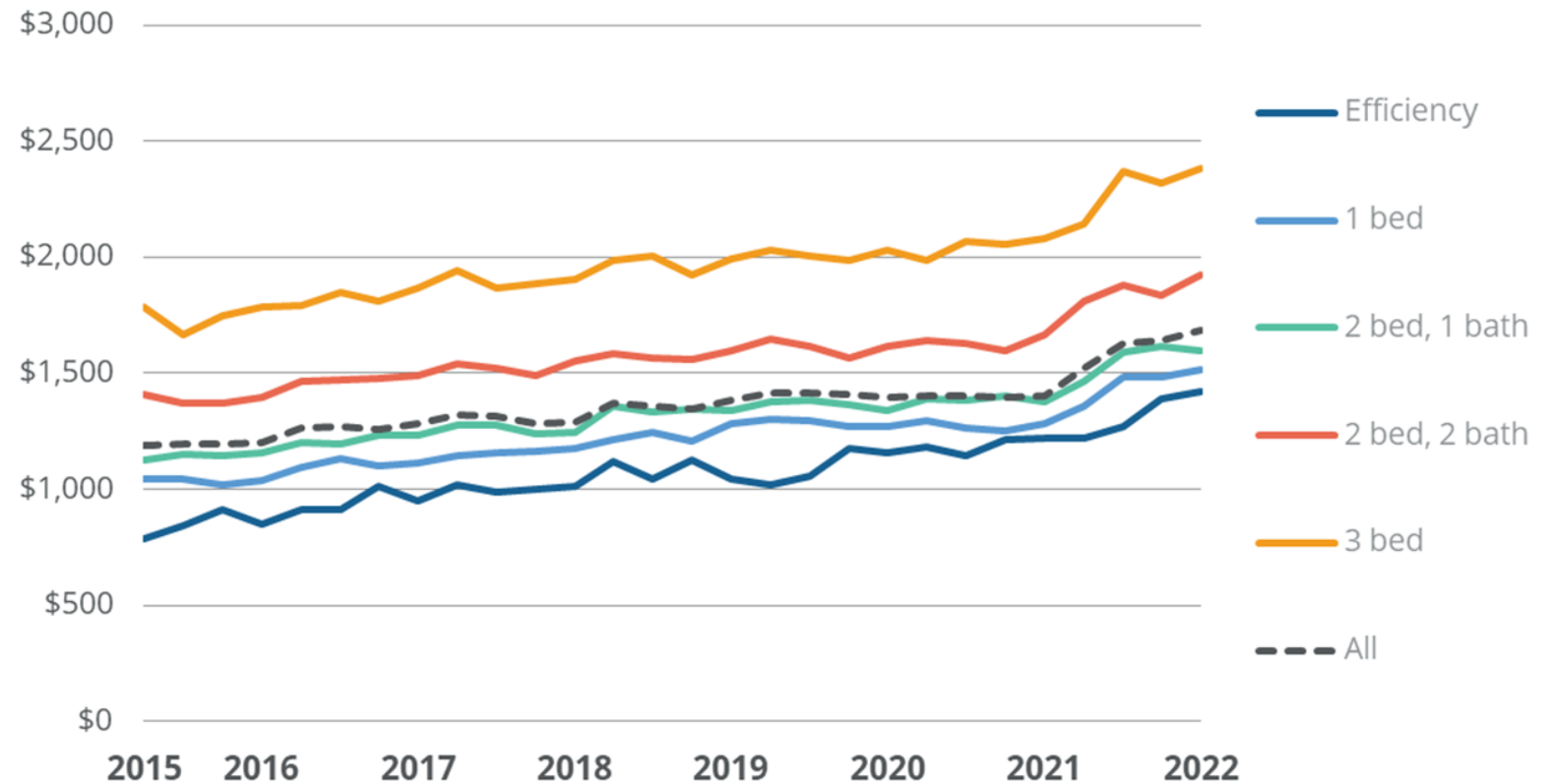




Market Update

# A closer look at rents

Median Rent by Type, Arapahoe County, 2015-2022



# A closer look at rents

## Median Rent by Type, Arapahoe County South & Southeast, 2021-2022

						2021 Q2 - 2022 Q1 Change	
	2021 Q2	2021 Q3	2021 Q4	2022 Q1	Number	Percent	
Arapahoe County South (West Centennial)							
Efficiency	\$1,495	\$1,621	\$1,434	\$1,635	\$140	<div></div> 9%	
1 Bed	\$1,541	\$1,778	\$1,759	\$1,625	\$83	<div></div> 5%	
2 Bed, 1 Bath	\$1,732	\$1,697	\$1,890	\$1,918	\$186	<div></div> 11%	
2 Bed, 2 Bath	\$1,883	\$2,180	\$2,024	\$2,308	\$426	<div></div> 23%	
3 Bed	\$2,167	\$2,642	n/a	\$2,610	\$443	<div></div> 20%	
All	\$1,817	\$1,916	\$1,866	\$1,942	\$126	<div></div> 7%	
Arapahoe County Southeast (East Centennial)							
Efficiency	\$1,213	\$1,388	\$1,388	\$1,428	\$215	<div></div> 18%	
1 Bed	\$1,537	\$1,641	\$1,602	\$1,622	\$85	<div></div> 6%	
2 Bed, 1 Bath	\$1,805	\$1,898	\$1,853	\$1,816	\$10	<div></div> 1%	
2 Bed, 2 Bath	\$1,945	\$2,078	\$2,031	\$1,983	\$37	<div></div> 2%	
3 Bed	\$2,191	\$2,445	\$2,389	\$2,408	\$218	<div></div> 10%	
All	\$1,783	\$1,933	\$1,781	\$1,815	\$32	<div></div> 2%	



# Housing Cost Burden

Households spending more than 30% of their gross income are considered housing cost burdened

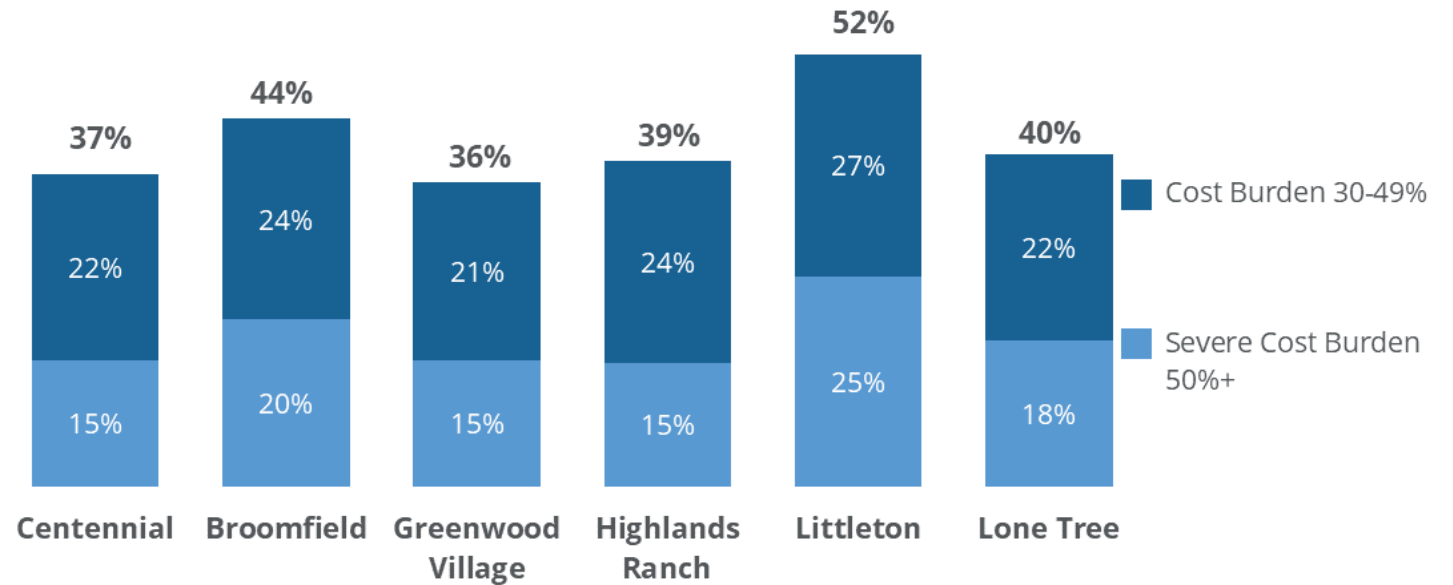
Overall cost burden *decreased* in Centennial between 2010 and 2020:

Renters: 43% in 2010 to 37% in 2020

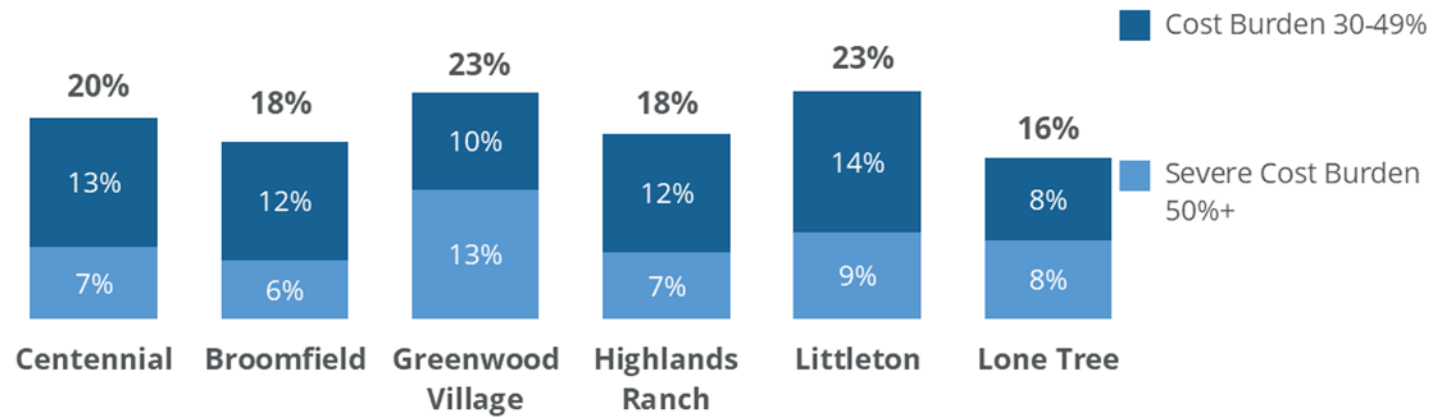
Owners: 25% in 2010 to 20% in 2020

This is likely due to increases in household income, lower interest rates for buyers, and potential displacement of renters who could not afford to remain in Centennial

## Share of Renter Households Cost Burdened, 2020



## Share of Owner Households Cost Burdened, 2020



## Share of Households Cost Burdened by Tenure by Housing Unit Type, Centennial, 2019

	Total Households	% Cost Burdened (CB)	% CB Earning Less than \$25,000	% CB Earning \$25,000-\$34,999	% CB Earning \$35,000-\$49,999	% CB Earning \$50,000-\$74,999	% CB Earning \$75,000-\$100,000	% CB Earning More than \$100,000
<b>Renters</b>								
Detached	4,851	37%	82%	89%	91%	66%	29%	4%
Attached (2-4 units)	2,858	47%	91%	100%	80%	61%	28%	0%
Multifamily (5-19 units)	6,552	48%	99%	100%	84%	42%	0%	3%
Multifamily (20-49 units)	3,239	55%	100%	94%	93%	60%	19%	3%
Multifamily (50+ units)	3,417	44%	100%	92%	80%	27%	11%	4%
<b>Owners</b>								
Detached	56,448	19%	86%	66%	59%	43%	25%	4%
Attached (2-4 units)	6,842	28%	87%	59%	49%	37%	10%	0%
Multifamily (5-19 units)	1,530	24%	75%	47%	22%	14%	0%	8%
Multifamily (20-49 units)	374	40%	100%	100%	71%	58%	0%	0%
Multifamily (50+ units)	328	34%	77%	n/a	n/a	25%	0%	16%

2019 IMPUS (5-year estimates)

# Housing Pipeline

2010-2021 Average 241 units per year

3,367 total units in the pipeline

## Built or Under Construction, 2010-2021

Year	Detached	Attached	Mixed	Multifamily	Group	Total
2010		76				76
2011					120	120
2012				304	84	388
2013	108			17		125
2014	19				85	104
2015	147					147
2016	72	180				252
2017				100		100
2018				423	209	632
2019			14			14
2020				304		304
2021				635		635
Total	346	256	14	1,783	498	2,897

## Pipeline, 2022

Year	Approved	In Review	Moratorium	Waiting for Submittal	Zoning Only	Total
Attached				38		38
Group	160	58				218
Mixed	190	700				890
Multifamily	367		90		1,764	2,221
Total	717	758	90	38	1,764	3,367

# Regional Distribution— Total Households

Share of Households in the Region by Income, Counties and Centennial

	% of Households	% Earning Less than \$35,000	% Earning \$35,000-\$50,000	% Earning \$50,000-\$75,000	% Earning \$75,000-\$100,000	% Earning \$100,000+
Arapahoe	18%	17%	20%	19%	19%	17%
Centennial	3%	2%	2%	3%	3%	4%
Adams	12%	14%	14%	14%	14%	10%
Boulder	9%	11%	9%	8%	8%	10%
Broomfield	2%	1%	2%	2%	2%	2%
Clear Creek	0%	0%	0%	0%	0%	0%
Denver	21%	27%	23%	22%	19%	19%
Douglas	9%	5%	5%	6%	9%	13%
Gilpin	0%	0%	0%	0%	0%	0%
Jefferson	17%	15%	17%	16%	17%	18%
Weld	8%	9%	8%	8%	8%	6%



## Gaps Analysis



# Housing Gaps Analysis

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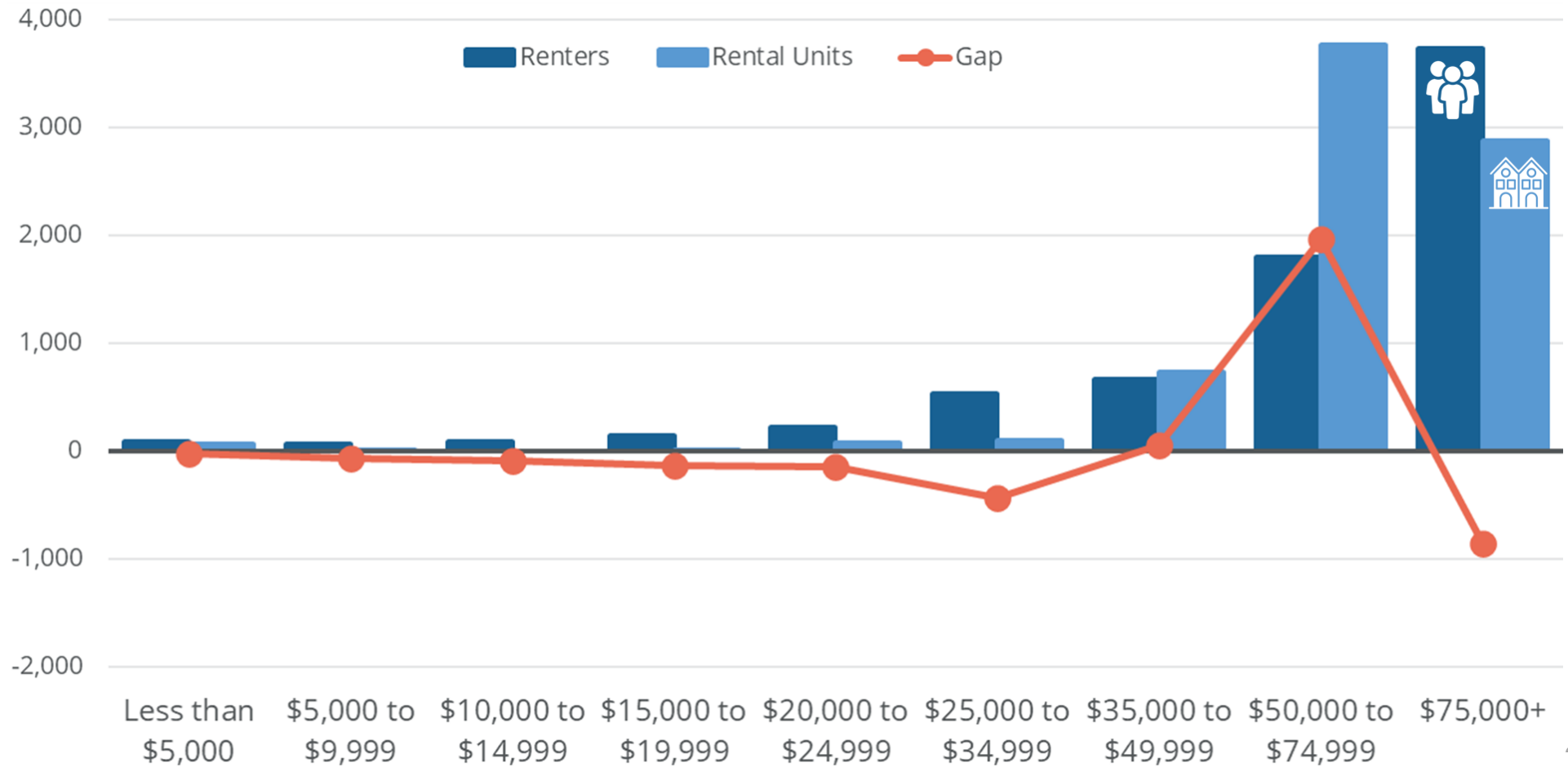
- Compares supply/demand for housing at specific price-points
- Demand focuses on renters—both as current renters and as potential buyers
- Accounts for both naturally occurring affordable housing and publicly assisted housing on supply side
- Does not account for unit size and preferences
- Housing affordability assumes 30% of income on housing; 30-yr fixed rate mortgage at 3.5%
- Negative numbers indicate shortage of affordably priced housing at that income level. Households in those incomes are forced to “rent up” (for lower income) or are renting down (higher incomes)—they are not unhoused, just mismatched in terms of affordability.

# Rental Gaps

Income Range	Maximum Affordable Gross Rent	Rental Demand (Current Renters)		Rental Supply (Current Units)		Gap
		Number	Percent	Number	Percent	
Less than \$5,000	\$125	92	1%	67	1%	(25)
\$5,000 to \$9,999	\$250	71	1%	4	0%	(67)
\$10,000 to \$14,999	\$375	92	1%	0	0%	(92)
\$15,000 to \$19,999	\$500	142	2%	11	0%	(131)
\$20,000 to \$24,999	\$625	225	3%	76	1%	(149)
\$25,000 to \$34,999	\$875	535	7%	103	1%	(432)
\$35,000 to \$49,999	\$1,250	672	9%	728	10%	56
\$50,000 to \$74,999	\$1,875	1,802	24%	3,765	49%	1,963
\$75,000+	\$1,875+	3,730	51%	2,878	38%	(852)
Total/Low Income Gap (<\$35,000)		7,361	100%	7,632	100%	(896)

2020 5-year ACS

# Rental Gaps



2020 5-year ACS

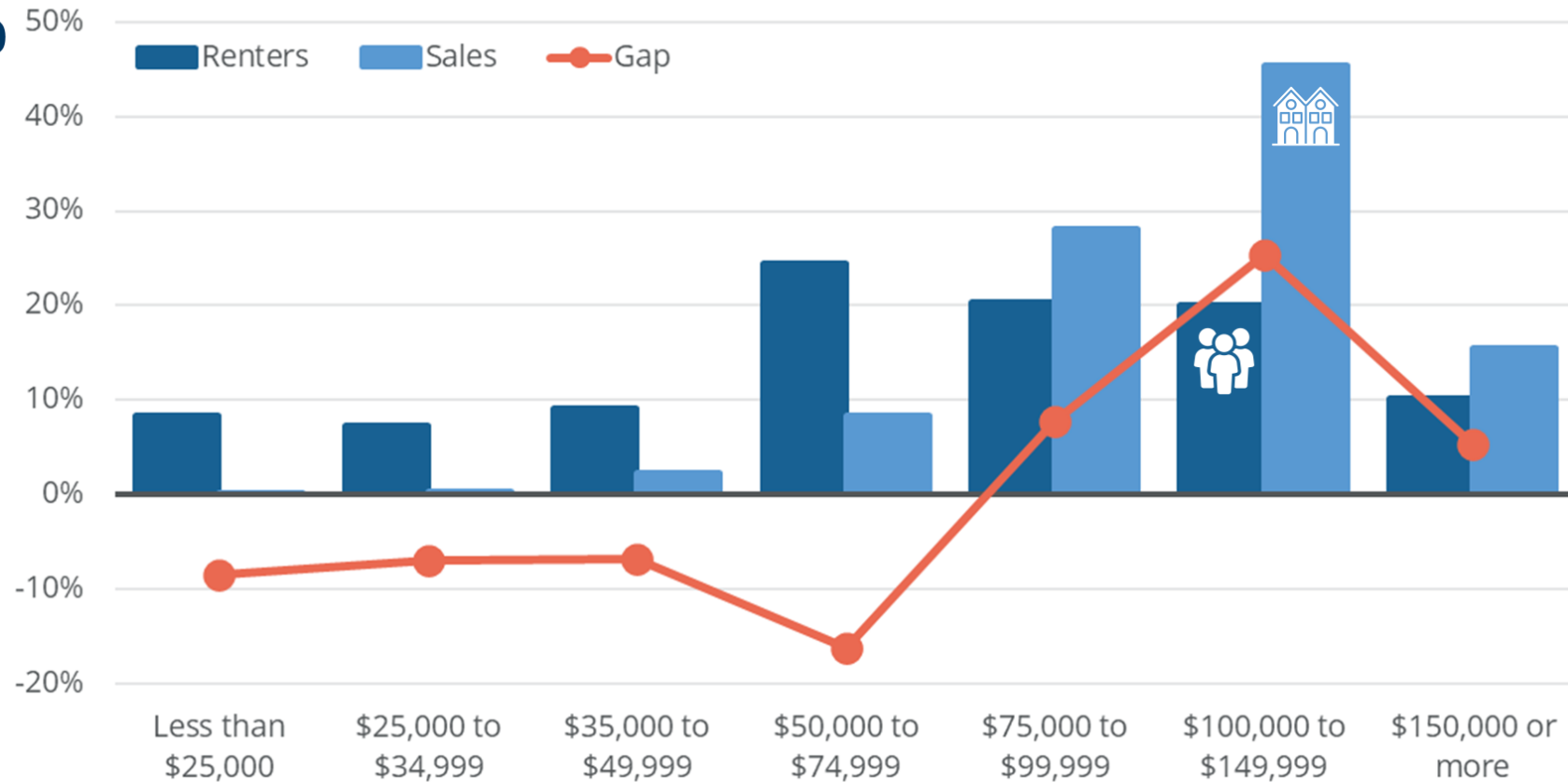
# Home Purchase Gaps

Income Range	Max Affordable Home Price	Potential Demand among 1st Time Buyers (Current Renters)		For-Sale Supply (Homes Sold 2020-2022)		Renter Purchase Gap	Cumulative Gap
		Number	Percent	Number	Percent		
Less than \$25,000	\$124,793	622	8%	1	0%	-8%	-8%
\$25,000 to \$34,999	\$174,712	535	7%	13	0%	-7%	-15%
\$35,000 to \$49,999	\$249,590	672	9%	102	2%	-7%	-22%
\$50,000 to \$74,999	\$374,388	1,802	24%	368	8%	-16%	-38%
\$75,000 to \$99,999	\$499,185	1,498	20%	1,236	28%	8%	-31%
\$100,000 to \$149,999	\$748,781	1,480	20%	2,001	45%	25%	-5%
\$150,000 or more		752	10%	684	16%	5%	0%

2020 5-year ACS and MLS

# Home Purchase Gaps

**3.35%**  
Interest  
Rate

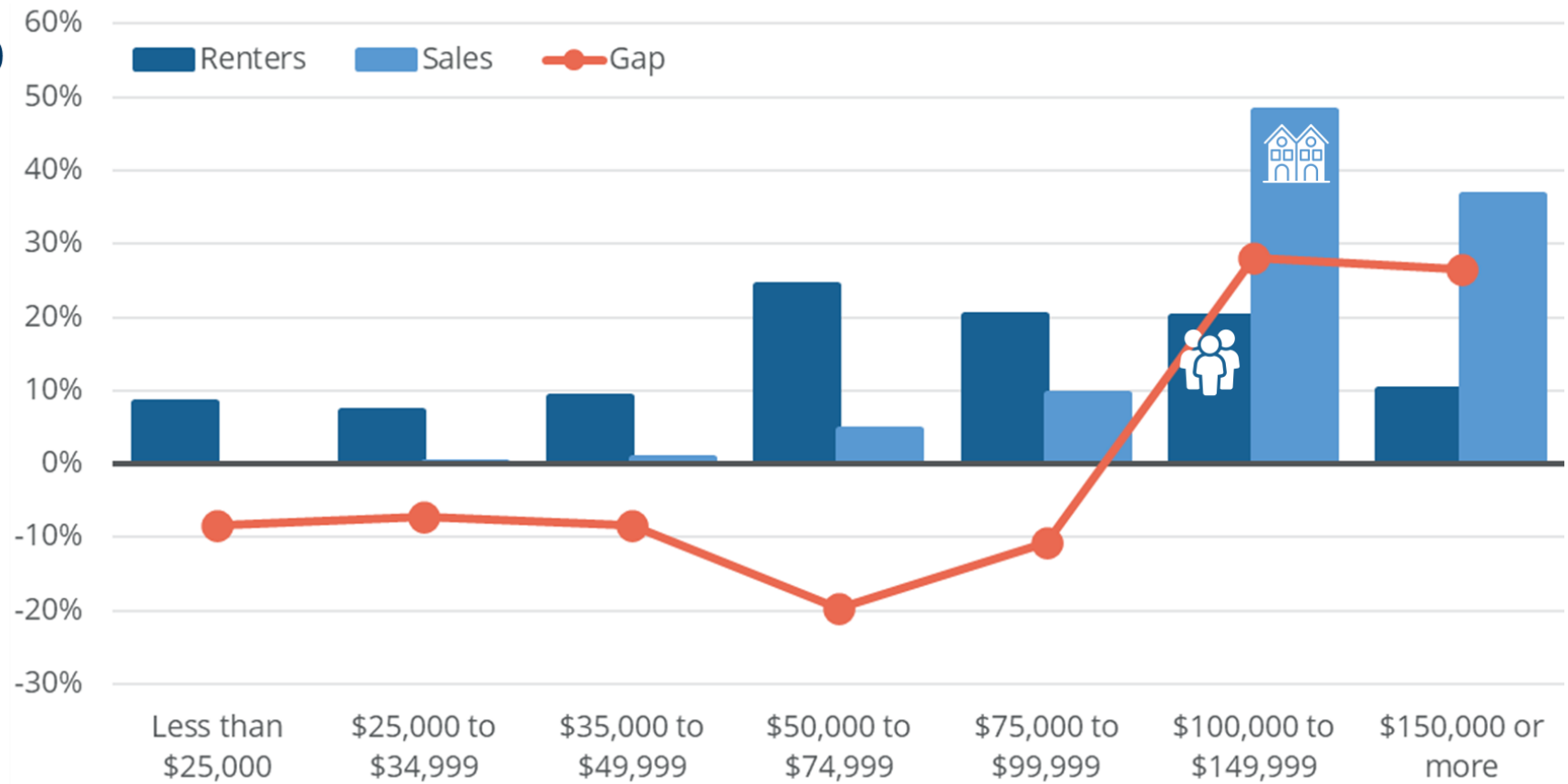


2020 5-year ACS and MLS



# Home Purchase Gaps

**5.25%**  
Interest  
Rate



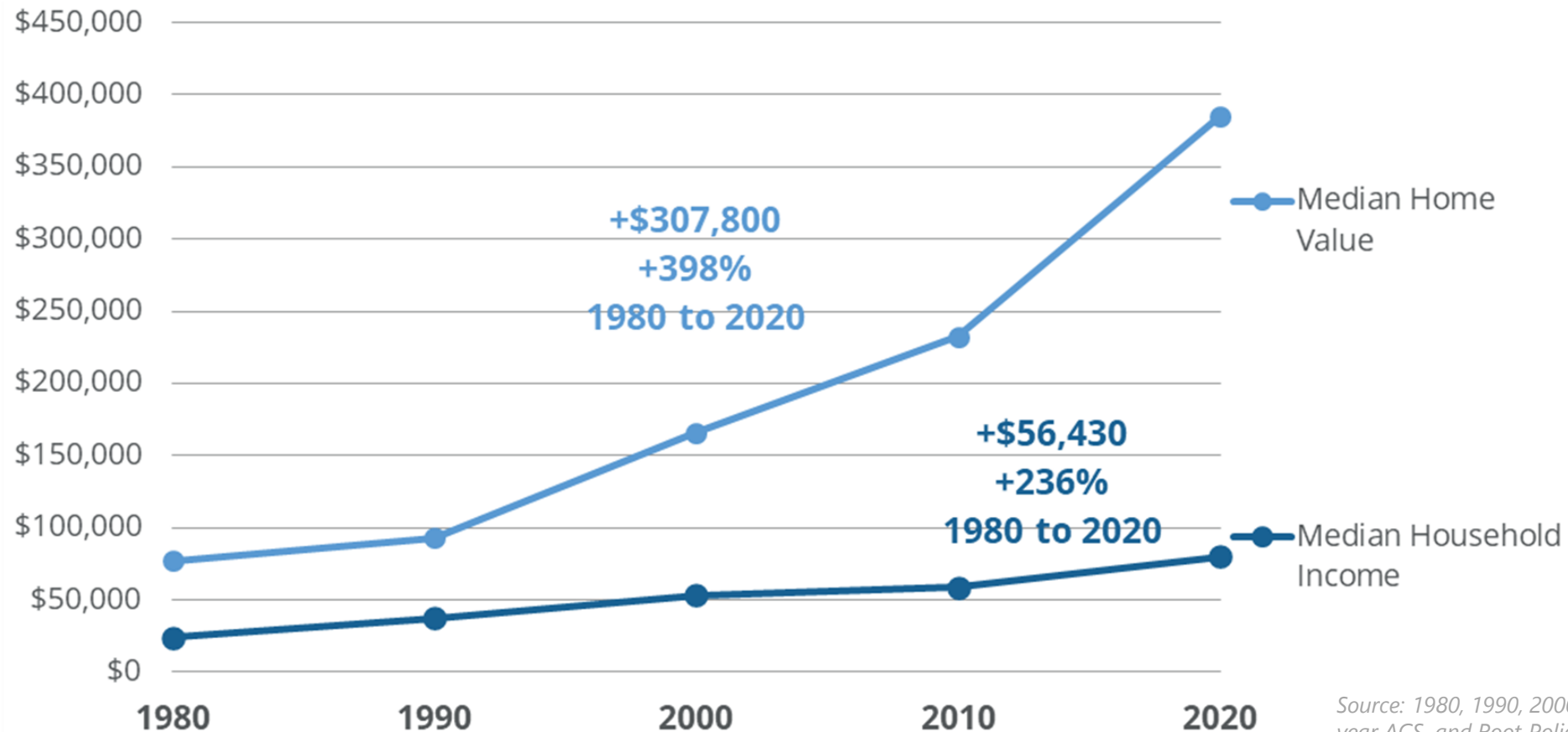
2020 5-year ACS and MLS



## Historical For Sale Affordability Analysis

# Historical Analysis

## Median Household Income and Home Value, Arapahoe County, 1980-2020



Source: 1980, 1990, 2000 Census, 2010 and 2020 5-year ACS, and Root Policy Research.

# Historical Analysis

Year	Median Household Income	Affordable Housing Costs		Downpayment	
		Monthly Payment	Sale Price	Dollars	Percent of Income
1980	\$23,861	\$597	\$45,086	\$4,509	<div></div> 19%
1990	\$37,234	\$931	\$92,330	\$9,233	<div></div> 25%
2000	\$53,570	\$1,339	\$159,856	\$15,986	<div></div> 30%
2010	\$58,719	\$1,468	\$249,368	\$24,937	<div></div> 42%
2020	\$80,291	\$2,007	\$413,136	\$41,314	<div></div> 51%

Source: Freddie Mac, 1980, 1990, 2000 Census, 2010 and 2020 5-year ACS, and Root Policy Research.



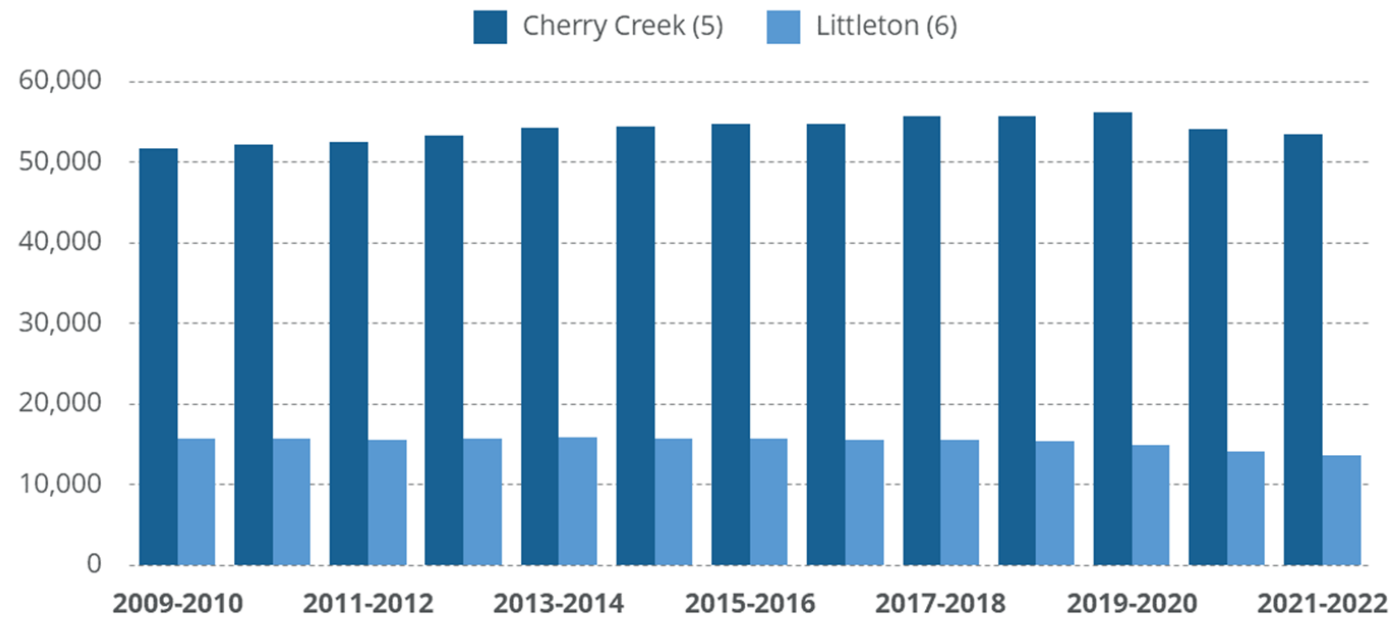


## Family Affordability Analysis



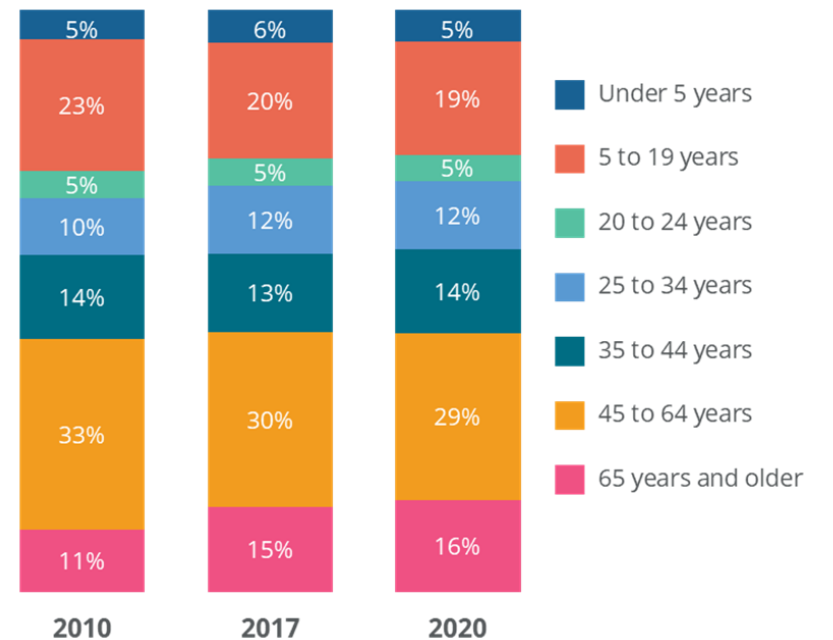
# School Enrollment Trends

## PK-12 School Enrollment



CDE, 2010, 2017, and 2020 5-year ACS

## Age Distribution



# Housing Families

5.25% interest rate

20% monthly payment property taxes, utilities, insurance, etc.

10% downpayment

## Affordable Purchase Price by Household Type vs. 3-4 Bedroom Sales in Centennial

	Median Income	Max Affordable
Centennial Family Median Incomes		
Household Type		
Married-couple with children	\$146,034	\$728,988
Single father with children	\$71,719	\$358,014
Single mother with children	\$63,036	\$314,670
Age of Householder		
Householder under 25 years	\$71,164	\$355,244
Householder 25 to 44 years	\$117,029	\$584,198
Arapahoe Family Median Incomes		
Household Type		
Married-couple with children	\$114,108	\$569,616
Single father with children	\$56,142	\$280,256
Single mother with children	\$45,849	\$228,874
Age of Householder		
Householder under 25 years	\$48,169	\$240,455
Householder 25 to 44 years	\$82,137	\$410,020

MLS and 2020 5-year ACS

# Housing Families

5.25% interest rate

20% monthly payment property taxes, utilities, insurance, etc.

10% downpayment

## Affordable Purchase Price by Number of People in Household vs. Average Sale Price by Number of Bedrooms

Number of Bedrooms or People in Household	Median Income	Max Affordable Purchase Price	Avg. Sale Price (2020-2022)	Affordable?
Centennial Median Incomes				
1 or less	\$54,892	\$274,016	\$262,565	Yes
2	\$109,405	\$546,139	\$354,218	Yes
3	\$130,695	\$652,417	\$510,561	Yes
4	\$162,538	\$811,374	\$620,610	Yes
5 or more	\$155,536	\$776,421	\$748,325	Yes
Arapahoe Median Incomes				
1 or less	\$43,153	\$215,416	\$262,565	No
2	\$89,022	\$444,389	\$354,218	Yes
3	\$100,198	\$500,179	\$510,561	No
4	\$115,322	\$575,676	\$620,610	No
5 or more	\$112,112	\$559,652	\$748,325	No

MLS and 2020 5-year ACS

# Housing Families

## Households by Number of People in Household vs. Sales by Number of Bedrooms

Number of Bedrooms or People in Household	Households		Sales in Centennial (2020-2022)	
	# of Households	% of Households	# of Sales	% of Sales
Centennial				
1 or less	8,637	<div></div> 21%	97	<div></div> 2%
2	14,560	<div></div> 36%	480	<div></div> 11%
3	7,428	<div></div> 18%	1,311	<div></div> 29%
4	6,388	<div></div> 16%	1,724	<div></div> 38%
5 or more	3,684	<div></div> 9%	935	<div></div> 21%
Arapahoe				
1 or less	65,733	<div></div> 27%	97	<div></div> 2%
2	80,184	<div></div> 33%	480	<div></div> 11%
3	38,084	<div></div> 16%	1,311	<div></div> 29%
4	33,826	<div></div> 14%	1,724	<div></div> 38%
5 or more	24,062	<div></div> 10%	935	<div></div> 21%



MLS and 2020 5-year ACS



## Future Housing Needs and Projections



# In the next 5, 10, and 15 years...

		2025	2030	2035		
 Households	<b>Root Household Projections</b> (based on DOLA)	<b>43,490</b>	<b>46,371</b>	<b>48,732</b>	<b>+8,426 households</b>	<b>+561 households annually</b>
	<b>Centennial Next</b>	<b>47,120</b>	<b>50,576</b>	<b>54,285</b>	<b>+10,384 households</b>	<b>+692 households annually</b>
 Workers	<b>Root Employment Projections</b> (based on DOLA and CDLE)	<b>76,102</b>	<b>81,227</b>	<b>85,572</b>	<b>+17,791 workers</b> 1.68 jobs/household <b>+10,590 households</b>	
					<b>+706 households annually</b>	

DOLA, CDLE, Centennial Next, ACS

# Current Industry Affordability

1.68 jobs/household

5.25% interest rate

20% monthly payment property taxes, utilities, insurance, etc.

10% downpayment

Industry	Avg. Weekly Wage, 2020	Afford Median Rent ?	Afford Median Detached?	Afford Median Attached?	Afford Median Condo/Apt ?
Utilities	\$1,885	Yes	Yes	Yes	Yes
Agriculture, Forestry	\$728	No	No	No	No
Mining and Oil and Gas	\$3,375	Yes	Yes	Yes	Yes
Public Administration	\$1,379	Yes	No	No	Yes
Transportation and Warehousing	\$1,101	Yes	No	No	No
Educational Services	\$1,020	Yes	No	No	No
Real Estate and Rental and Leasing	\$1,380	Yes	No	No	Yes
Manufacturing	\$1,318	Yes	No	No	Yes
Arts, Entertainment, and Recreation	\$1,351	Yes	No	No	Yes
Management of Companies	\$2,690	Yes	Yes	Yes	Yes
Wholesale Trade	\$2,028	Yes	Yes	Yes	Yes
Accommodation and Food Services	\$468	No	No	No	No
Administration; Waste Management	\$1,027	Yes	No	No	No
Construction	\$1,476	Yes	No	Yes	Yes
Retail Trade	\$775	No	No	No	No
Information	\$2,448	Yes	Yes	Yes	Yes
Health Care and Social Assistance	\$1,189	Yes	No	No	No
Finance and Insurance	\$2,200	Yes	Yes	Yes	Yes
Professional Services	\$2,087	Yes	Yes	Yes	Yes
Other Services	\$947	Yes	No	No	No

# 2035 Industry Affordability

1.68 jobs/household

5.25% interest rate







20% monthly payment property taxes, utilities, insurance, etc.

10% downpayment

Industry	Avg. Weekly Wage, 2025	Afford Median Rent ?	Afford Median Detached?	Afford Median Attached?	Afford Median Condo/Apt ?
Utilities	\$2,603	Yes	No	No	No
Agriculture, Forestry	\$718	No	No	No	No
Mining and Oil and Gas	\$6,031	Yes	Yes	Yes	Yes
Public Administration	\$1,907	Yes	No	No	No
Transportation and Warehousing	\$1,363	Yes	No	No	No
Educational Services	\$1,508	Yes	No	No	No
Real Estate and Rental and Leasing	\$2,241	Yes	No	No	No
Manufacturing	\$1,804	Yes	No	No	No
Arts, Entertainment, and Recreation	\$2,365	Yes	No	No	No
Management of Companies	\$4,196	Yes	No	Yes	Yes
Wholesale Trade	\$2,820	Yes	No	No	No
Accommodation and Food Services	\$790	No	No	No	No
Administration; Waste Management	\$1,772	Yes	No	No	No
Construction	\$2,562	Yes	No	No	No
Retail Trade	\$1,238	No	No	No	No
Information	\$4,310	Yes	No	Yes	Yes
Health Care and Social Assistance	\$1,675	Yes	No	No	No
Finance and Insurance	\$4,189	Yes	No	Yes	Yes
Professional Services	\$3,135	Yes	No	No	No
Other Services	\$1,497	Yes	No	No	No

# What if we housed all new workers that can afford to live in Centennial?

- 1.68 jobs/household
- 5.25% interest rate
- 20% monthly payment property taxes, utilities, insurance, etc.
- 10% downpayment

	 New Workers	 New Households	Housing Types Households Can Afford		Impact
2025	+8,186 Workers	+4,868 Households	 Detached	Households 521	In-Commuters  +1,26
			 Attached & Condo/Apt	1,468	5 Homeownership Rate
			 Rent	2,130	82% to 78%
2030					
2035					

How do other  
communities  
think about  
housing needs?



# Defining affordable/attainable

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- **Affordable**
- **Attainable**
- **Workforce**
- **Examples:**
  - Affordable housing: Housing units with a contractual requirement (deed-restriction or income restriction) that keeps the cost of rent or mortgages affordable to households making 80% or less of the AMI.
  - Attainable housing: Housing units affordable to households making between 80% and 120% of AMI. This can include naturally occurring or deed-restricted properties.
  - Workforce housing: Housing affordable to workers in the community such as teachers, fire fighters, librarians, etc. This can include naturally occurring or deed-restricted properties.



# Setting goals

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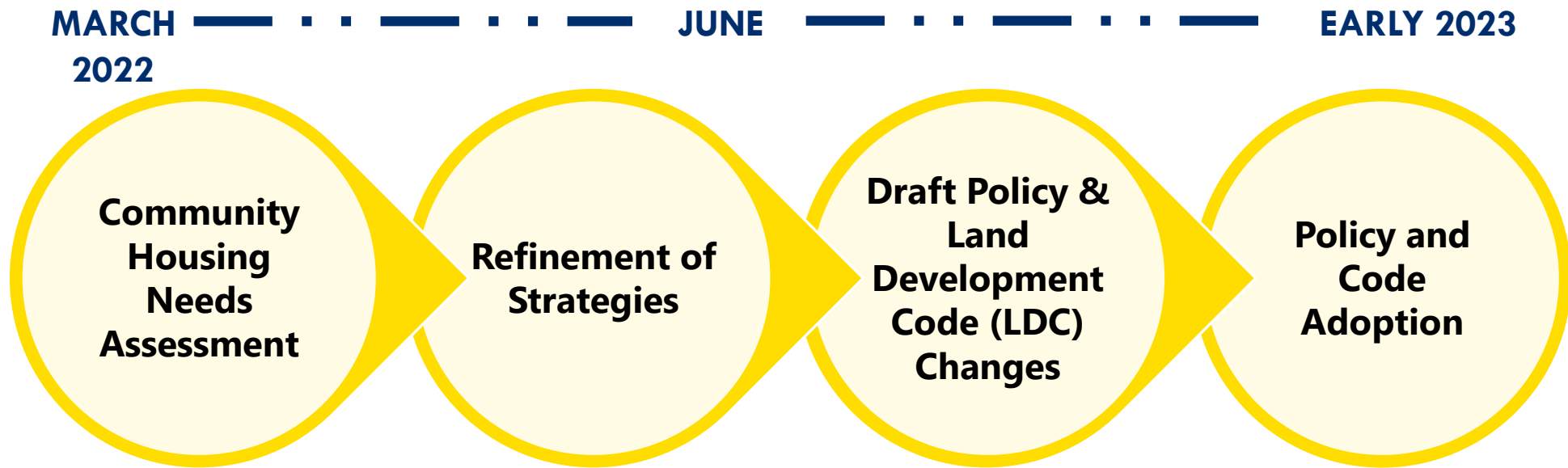
- **Fort Collins:** The City of Fort Collins has already adopted a goal of 10% affordable at 80% AMI by 2040.
- **Colorado Springs:** Increasing affordable housing inventory by 1,000 units each year.
- **Longmont:** Longmont has a goal to have 12% of its housing stock be permanently affordable by 2035. The city's definition of affordable housing is defined as homes sold at a price that is affordable to households at or below 80% of the Area Median Income and units rented at or below 50% of the AMI.
- **Denver:**
  - Create 2,000 new affordable units, of these new units, approximately 90% are expected to serve renters and 10% are expected to serve homeowners.
  - Preserve 1,000 existing affordable units, of these new units, approximately 90% are expected to serve renters and 10% are expected to serve homeowners.
  - Serve 20,000 households with program resources such as homebuyer counseling, down payment assistance, and supportive services;
  - Serve 10,000 households through programs such as tenant-landlord counseling, eviction assistance, and emergency home repair.

Questions/Discussion



# Scope of Work

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# Project Updates

May 9 Joint Worksession

May 10 Senior focus group

May 17 Housing Needs Workshop

## May 17 Housing Needs Workshop

### What inspired you to attend the workshop?

- Seeing what's going on
- Problems with selling house and buying another
- Need for more affordable housing options
- Need for affordable and low-income housing options and more multiunit housing near transit
- Concern about University Blvd. becoming a high-density stretch of 4-6 story apt. complexes much like University Blvd. near DU
- We need more options for housing in Centennial



<b>Removing Procedural Barriers</b>	<b>Additional Incentives</b>	<b>New Allowances and Requirements</b>	<b>Fees and Other Costs</b>	<b>Funding Mechanisms</b>
Expedited development review for affordable housing	Establish a density bonus program	Authorize Accessory Dwelling Units (ADUs)	Subsidize or reduce development fees for affordable housing	Establish a dedicated funding source to subsidize infrastructure costs
Expedited development review for converting underutilized commercial/office property to housing		Implement an inclusionary zoning policy	Incentivize current landlords to lower prices of existing units	Create a land donation or land banking program

# LDC and Policy Updates

# Project Messaging

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- What are the groups key takeaways from today?
- Is there anything you would like to share?



# Next Steps

- **June 6:** City Council (update)
- **June 8:** Planning & Zoning Commission (update)
- **June 27:** Next Working Group Meeting
- Keep an eye on the project website for updates:  
[centennialco.gov/housing](http://centennialco.gov/housing)



**Thank you for your time & input!**

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NEXT WORKING GROUP MEETING: JUNE 27